

LEASE AGREEMENT

This Lease Agreement, dated as of the ____ day of _____, ____ (this "Agreement"), is between _____ ("Lessor"), and The _____ [Name of Customer] _____ ("Lessee").

This Agreement is entered into pursuant to a State wide Contract (No. _____) ("the State wide Contract") between the Arizona Department of Administration State Procurement Office ("SPO") and the Lessor for provision of microcomputer products and services to state agencies. The Lessor must be the same person or entity that is the primary contractor (*i.e.*, not a subcontractor or agent) under the State wide Contract defined herein. The State wide Contract was awarded to multiple vendors on the basis of their responses to a Procurement Solicitation from SPO. All terms of the State wide Contract are incorporated and made a part hereof as though set forth herein (including all defined terms which shall have the meanings ascribed to them in the State wide Contract unless specifically defined otherwise herein). "Business Days" when used herein means Monday to Friday (except State holidays).

Lessor and Lessee hereby agree to the following:

1. Property Leased

- 1.1 License. Lessor licenses to Lessee, subject to the terms and conditions of the State wide Contract and this Agreement, the equipment and/or software listed on each equipment schedule which is executed pursuant to this Agreement, from time to time.
- 1.2 Equipment Schedules; Lessee Obligations. Each equipment schedule shall be substantially in the form of Addendum A which is attached hereto. Each equipment schedule executed by Lessee shall be attached to this Agreement and made a part hereof.

Each equipment schedule shall incorporate by reference all of the terms and conditions of the State wide Contract and this Agreement. Each equipment schedule may also include other similar terms and conditions upon which the Lessee and the Lessor agree, provided, however, that such equipment schedule shall not, under any circumstances, include any term that is not consistent with the terms of the State wide Contract or this Agreement.

2. Term

- 2.1 Term of Agreement. The term of this Agreement shall commence on the date set forth above and shall continue in effect until the date the last equipment schedule expires.
- 2.2 Term of Equipment Schedules. The term of each equipment schedule shall commence on the date the equipment and/or software is accepted by Lessee (in accordance with Section 9.1 of this Agreement) (the "commencement date"), and shall continue for the period of time set forth in such equipment schedule (the "initial term"). The lease terms available from the Lessor shall be the same terms as Lessor agreed to provide under the State wide Contract.

Notwithstanding anything in this Agreement to the contrary, in no event shall the initial term of any equipment schedule (i) have a duration of less than 6 months, (ii) have a duration of greater than thirty-six (36) months, or (iii) commence after the expiration or termination of this Agreement.

- 2.3 Creation of New or Amendment of Equipment Schedules. Subject to the limitations in this Agreement and the State wide Contract, the parties to this Agreement may amend or add equipment schedules hereto at any time prior to the expiration or termination of this Agreement. In case of any requests for amendments or additions, Lessor shall respond to such request within five (5) business days.
- 2.4 Termination; Extensions. Lessor shall provide two (2) notices to Lessee: (i) ninety (90) calendar days before the end of the applicable equipment schedule term to remind Lessee that the equipment schedule term is ending and to provide its pricing based on the Lease Extension Formula authorized in the State wide Contract for a six (6) or twelve (12) month extension as may be available under this Section, and (ii) at forty (40) calendar days to confirm to Lessee that the equipment schedule term is ending. Lessee may extend an equipment schedule subject to the following:

- 2.4.1 The total term of any equipment schedule (as extended) shall not exceed forty-eight (48) months;
- 2.4.2 Lessee must notify Lessor in writing of its intention to extend any term at least thirty (30) calendar days prior to the expiration of the applicable equipment schedule;
- 2.4.3 At the time of the giving its notice to extend and the commencement of such extended term, no default under this Agreement shall have occurred and be continuing; and
- 2.4.4 The State wide contract shall not have terminated at the commencement of such extended term.

Upon expiration of an equipment schedule, Lessee shall not be obligated to continue to make lease payments to Lessor, unless such Lessee fails to make the equipment and/or software available for retrieval, in accordance with Section 9.6 of this Agreement.

- 2.5 Effect of Termination for Convenience. The State Procurement Office's exercise of its right to terminate the State wide Contract in whole or in part for convenience shall not terminate any equipment schedules that were executed prior to the effective date of the termination, but shall have the effect of prohibiting the Lessee from entering into or extending any related equipment schedules after the effective date of the resulting termination.

3. Lease Payments

- 3.1 Amount. As rent and license fees for the services, equipment and/or software ("lease payments"), Lessee agrees to pay the amounts calculated pursuant to the Lease Cost Formula in the State wide Contract for the services, equipment, and/or software described on the equipment schedules attached to this Agreement. Notwithstanding the foregoing, payments under lease extensions shall be calculated pursuant to Section 2.4 of this Agreement.
- 3.2 When Due. Lessee shall make lease payments (in arrears) to the Lessor on the 10th day of each month for the prior month, with lease payments commencing the first month following the commencement date. Interim rent shall not be permitted. All lease payments or any other amounts payable under this Agreement, which is not paid when due shall be subject to late charges at the rate of ten percent (10%) per annum. Late charges shall be assessed commencing ten (10) calendar days from the date due and shall be paid for the period through the date the late payment is made.

4. Warranties

- 4.1 Generally. Except as provided in the State wide Contract, Lessor warrants to Lessee that it shall not disturb Lessee's possession and authorized use of the equipment and/or software.
- 4.2 Equipment Warranty. The Lessor warrants to maintain the equipment in the same operating condition as configured when delivered. All equipment shall carry a warranty at least equal to the term of the applicable equipment schedule, such warranty to

include at least one (1) year of on-site repair. Extended on-site warranties must be made available for purchase by the Lessee and included in applicable equipment schedule. The price for such extended warranties shall be included in the Lease Cost Formula pursuant to Section 3.1 of this Agreement.

Maintenance must be performed using fully qualified, factory trained and manufacturer certified technicians. The maximum response time for a technician to be on-site, shall be no later than eight (8) business hours (7:00 AM to 6:00 PM, Monday through Friday {except State holidays}) after notification to Lessor by Lessee that service is required anywhere in the State. All equipment shall be repaired on-site within two (2) business days. All defective or unserviceable parts shall be replaced with parts approved by the manufacturer for replacement and carrying the remaining warranty of the original System Unit or one (1) year, whichever is greater.

If equipment cannot be repaired on-site, comparable and compatible replacement equipment shall be provided, installed, and operational, on-site at no additional cost to Lessee, unless otherwise directed by Lessee. Replacement equipment shall be available within three (3) business days of the initial service call within a 50-mile radius of Phoenix or Tucson and within four (4) business days of the initial service call outside the 50-mile radius of Phoenix or Tucson.

The Lessor shall provide the same levels of service as required under the State wide Contract to all areas of the State.

- 4.3 Software Warranty. Lessor warrants that any software provided by Lessor shall operate and conform to the manufacturer's software product description ("SPD") applicable at the time of acceptance. Lessor shall assure operation and shall remedy any non-conformance of the software to the SPD.
- 4.4 Disclaimer of Warranties. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, LESSOR DISCLAIMS ALL WARRANTIES WITH REGARD TO THE EQUIPMENT AND/OR SOFTWARE, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

5. Software Product License

- 5.1 License. The Lessor shall have title to or the legal right to sublicense all software provided by Lessor to the Lessee and such title or right to sublicense shall remain with the Lessor. Lessee acknowledges that any software listed on any equipment schedule or incorporated as a component (of any equipment listed on any equipment schedule) is furnished by Lessor to Lessee under license (as specified in the applicable SPD) solely for the Lessee's use on the device on which the software is first installed. Such software may be copied, in whole or in part, only for use on that device (in accordance with the applicable copyright or other proprietary notice). However, the software may be used on another device on a temporary basis during a malfunction of the original device that causes the software to be inoperable. Lessee shall not make software available in any form to any third party.

Software licenses granted without media are subject to all of the terms of the State wide Contract and this Agreement, except that Lessee may obtain the software by copying licensed software in Lessee's possession onto the device for which the software is licensed. Third-party software designated in Lessor's applicable price list as subject to a third-party license agreement is subject to the terms and conditions of the license agreement accompanying the software. Lessee will not copy, use, disclose, or transfer the software except as provided in the applicable license agreement.

The license granted under this Agreement shall terminate upon termination of this Agreement. Upon termination, Lessor shall retrieve the software at the same time as it retrieves equipment (as provided in section 9.6) at its sole expense and such software shall be in the form originally provided by Lessor or as modified by Lessee; or, on request by Lessor, shall destroy the software and certify in writing that it has been destroyed. Unless otherwise specified, the retrieval of software shall be concurrent with the retrieval of equipment under this Agreement.

6. Equipment Title; Personal Property

- 6.1 Equipment Title. Title to each item of equipment provided to Lessee under this Agreement shall remain with Lessor at all times and Lessee shall have no right, title, or interest therein, except as expressly set forth in this Agreement. Lessee, at its expense, will protect and defend Lessor's title to the equipment and will keep the equipment free and clear from any and all claims, liens, encumbrances, and legal processes. Lessor shall place plates or markings on the equipment to indicate its interest in the equipment.

Lessee shall keep all equipment free from any marking or labeling that might be interpreted as a claim of ownership by Lessee or any other party (other than Lessor).

- 6.2 Personal Property. Lessee represents, warrants, and covenants, that, with respect to any equipment included in any equipment schedule under this Agreement, the equipment is personal property and when subjected to use by Lessee will not be or become a fixture under applicable law. All items of equipment shall at all times be and remain personal property in spite of the fact that any such equipment may now be or may become attached or affixed to real property.

7. Patents and Copyrights

- 7.1 Covenant to Defend. Lessor shall defend, at its expense, any claim or suit brought against Lessee alleging that any equipment and/or software delivered under this Agreement infringes a patent or copyright, and Lessor shall pay all costs incurred and damages awarded in connection therewith. If Lessee is given notice of any such claim or suit, Lessee shall promptly provide written notice of such claim or suit to Lessor.

Notwithstanding the foregoing, Lessor shall not have any liability if the alleged infringement is based on the use of the equipment and/or software in combination with other products or devices not provided by Lessor.

In the defense or settlement of any claim under this section, Lessor shall use its best efforts to obtain for Lessee the right to continue using the equipment and/or software or shall replace or modify such equipment and/or software, such that the equipment and/or software becomes noninfringing. If the use of any equipment and/or software is prevented by court order and Lessor is unable to replace, modify, or acquire the right to the continued use thereof, the applicable equipment schedule shall terminate and Lessor shall retrieve such equipment and/or software (in accordance with section 9.6) at Lessor's sole expense and Lessee shall have no further obligation to make lease payments for software and/or equipment under the applicable equipment schedule.

8. Services

- 8.1 No Charge Transaction Services. The Lessor must provide the following services prior to the commencement date of each equipment schedule at no charge to Lessee:

8.1.1 For all Hardware (other than Peripherals):

8.1.1.1 Assemble all Hardware components (i.e., motherboard, processor, power supply, Internal Peripherals, etc.) to Lessee's specifications.

8.1.1.2 Install operating system.

8.1.1.3 Install Automated Asset Inventory Software (for all State Agency Customers and any other Lessee who requests such software).

8.1.1.4 Enter Lessor asset tag # into the Automated Asset Inventory Software.

8.1.1.5 Burn in device for at least 12 hours. Burn-in involves executing software that provides a continuous loop to assure that the following function properly:

8.1.1.5.1 processor, motherboard and connections thereto (such as controllers, ports, etc.).

8.1.1.5.2 hard drive subsystem (including read/write tests).

8.1.1.5.3 memory subsystem (including read/write tests).

8.1.1.5.4 video card (including refresh rates and resolution).

8.1.1.5.5 network card (including simulated network connection and read/write tests).

8.1.2 For all Hardware (including Peripherals):

8.1.2.1 Asset tag each System Unit device, Printer, Scanner and monitor with a Lessor tag.

8.1.2.2 Box for shipment.

8.1.2.3 Ship (ground shipment) to the appropriate location, in accordance with Special Terms and Conditions of the State wide Contract.

8.1.2.4 Deliver twenty (20) calendar days from day of order and if not available, forty-five (45) calendar days from day of order provided the Lessor informs the Lessee at least five (5) business days from the date of order that the order is not available.

8.1.2.5 Provide information and reports to the purchasing agent and Contract Administrator regarding items purchased in accordance with Section 6(1) of the Scope of Work of the State wide Contract.

8.2 Chargeable Transaction Services. In accordance with the State wide Contract, upon Lessee's request, the Lessor shall provide the following services prior to the commencement date of each equipment schedule:

8.2.1 Create entity specific image for loading on device(s).

8.2.2 Install predefined Lessee specific image.

8.2.3 Install and configure other specific software (not included in the predefined image), as provided for in the State wide Contract.

8.2.4 Configure prepackaged software to specified parameters.

8.2.5 Priority shipping as available under the State wide Contract.

8.2.6 On-site installation, unit testing and basic operator training as provided for and defined in the State wide Contract.

Charges for such services must be equal to the prices for such services under the State wide Contract. Such charges must be amortized over the term of the applicable Equipment Schedule.

8.3 Network Services. Pursuant to the State wide Contract, at Lessee's direction, the Lessor shall connect the equipment leased hereunder to the Lessee's network. Prior to any such connection, Lessee shall provide information regarding the network to the Lessor. Charges for such services must be equal to the prices for such services under the State wide Contract and shall be amortized over the term of the applicable equipment schedule.

9. Rights and Obligations

9.1 Installation; Acceptance Lessee shall make available a safe and suitable place for installation of the equipment and/or software. Lessor shall install equipment and/or software at the site identified on the applicable equipment schedule. Installation of software must be done in accordance with the then current SPD. Within ten (10) business days after delivery of the final piece of equipment and/or software to be delivered under the applicable equipment schedule, Lessee must make a safe and suitable place available to Lessor for installation of the equipment. However, the Lessee shall be deemed to have accepted upon receipt by the Lessor of written confirmation that all delivered and installed equipment has been accepted. However, if Lessee does not make such a safe and suitable place available within the ten (10) business day period, the equipment and/or software shall be deemed to have been accepted by the Lessee and the term of the applicable equipment schedule shall commence for purposes of this Agreement.

9.2 Use. Lessee shall use the equipment in compliance with applicable operating instructions and all applicable laws and regulations, and for no purpose other than that for which such equipment was designed.

- 9.3 Alterations. No alteration, addition, accession, attachment, part, replacement, substitution, or upgrade shall be made with respect to any of the equipment except by or upon the express prior written consent of Lessor. Any changes shall become the property of Lessor. Any unapproved changes shall promptly be removed by Lessee upon the request of Lessor.
- 9.4 Moving Equipment. Lessee shall not move any equipment from the sites described on the applicable equipment schedule without, in each instance, providing written notice of such move to Lessor.
- 9.5 Inspection. Lessor shall have the right, upon ten (10) calendar days prior written notice to Lessee to inspect the equipment during Lessee's regular business hours, at the location designated on the applicable equipment schedule or at such other location to which the equipment shall have been moved from time to time (in accordance with a written notice from Lessee to Lessor). Lessee, on request of Lessor, shall also, upon similar notice, make Lessee's log and maintenance records pertaining to the equipment available to Lessor for inspection.

9.6 Retrieval of Equipment. Upon termination (by expiration or otherwise) of each equipment schedule:

- 9.6.1 Lessee shall make the equipment available to the Lessor for de-installation, preparation for removal, and removal upon three (3) business days prior written notice. If Lessee fails to make the equipment available for de-installation as provided in this paragraph, the Lessor may assess rental charges in accordance with the most recent applicable equipment schedule. If the Lessor assesses any additional rental charges under this paragraph, the Lessor shall prorate the rental charges for the time period during which the Lessee fails to make the equipment available for de-installation.
- 9.6.2 Lessor, at its sole cost and expense, shall de-install (i.e. FDISK or such other appropriate procedure to protect confidentiality of the equipment) and prepare such equipment for removal.
- 9.6.3 Lessee shall assure Lessor that the equipment is in the same operating order, repair and condition as when received, except for normal depreciation and wear and tear.
- 9.6.4 Lessor shall arrange for, insure and pay for removal of the equipment from Lessee's facility, provided that if Lessor fails to retrieve any equipment within ten (10) calendar days after expiration of the term on the associated equipment schedule, Lessee may, in its sole discretion either: (a) transport the equipment to a State storage facility, or (b) transport such equipment to Lessor's nearest facility. Lessor shall be obligated to reimburse Lessee for all costs and expenses associated with storage and/or transportation of the equipment.

10. **Property Loss**

- 10.1 Insurance. During the term of the Agreement, Lessee shall carry and maintain, at its sole expense, insurance sufficient to fully cover the replacement value, as determined by the insurer, of all the equipment and/or software accepted by Lessee. Any residual value of the equipment that may have been used to calculate lease payments hereunder shall not control the determination of the replacement value of the equipment hereunder.

A signed certificate from the Lessee regarding such policies being in force shall be submitted by the Lessee to the Lessor, no later than ten (10) business days from the first date of this Agreement and, from time to time, upon request, provided that no such request shall be submitted more often than once every twelve (12) months. Lessee shall provide Lessor written notice at least thirty (30) calendar days prior to any lapse, cancellation, or material change in such insurance coverage.

- 10.2 Risk of Loss. Upon acceptance of the equipment by Lessee in accordance with Section 9.1, Lessee shall bear the risk of any and all damage, destruction and/or loss to any and all of the equipment, which does not result from defective manufacture, assembly or installation. Any such damage, destruction or loss (that is not the result of defective manufacture, assembly or installation) shall not excuse or relieve Lessee of the duty to

make lease payments in accordance with this Agreement or to perform any other obligation under this Agreement or under any equipment schedule.

In the event any of the equipment becomes inoperable or is destroyed or lost, Lessee shall promptly notify Lessor in writing. If the occurrence is the result of a violation of Lessee's obligations regarding the equipment under the terms of this Agreement, Lessee shall either (1) undertake to have the equipment repaired, or (2) pay the Lessor for such equipment in accordance with the terms of the Lessee's insurance. Lessor agrees to comply with the rules of Lessee's insurer in regard to making claims for lost or damaged equipment. In the event that Lessor is entitled to receive compensation for such equipment from the insurance provider, then no further lease payments with respect to such equipment shall become due after such compensation is received by Lessor.

- 10.3 State Agency Lessee. Lessee's that are state agency customers shall be deemed to fulfill the requirements of this section, solely through use of the State's Risk Management policies.

11. Default

- 11.1 Default by Either Party. A party is in "Default" if: (i) it fails to perform or observe any material term, covenant, or condition of this Agreement, or any equipment schedule and any such failure continues for a period of ten (10) business days after written notice from the other, or (ii) the party is otherwise in default under the State wide Contract.
- 11.2 Default by Lessee. The lessee is in "Default" if:
- 11.2.1 The Lessee fails to make any lease payment or any other amount payable to Lessor pursuant to this Agreement or any equipment schedule when due and such non payment continues for a period of ten (10) business days after written notice of such nonpayment by Lessor to Lessee.
- 11.2.2 Lessee fails to insure the equipment as provided in Section 10 hereof.
- 11.3 Default by Lessor. The Lessor is in "Default" if:
- 11.3.1 Any representation or warranty made by Lessor in this Agreement or in any equipment schedule shall be materially false or misleading at any time.
- 11.3.2 Lessor ceases doing business as a going concern or transfers all or a substantial part of its assets.
- 11.3.3 Lessor becomes insolvent, admits in writing its inability to pay its debts as they become due, or makes an assignment for the benefit of creditors.
- 11.3.4 Lessor applies for, or consents to, the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer is appointed without the consent of Lessor; or Lessor institutes any insolvency, reorganization, moratorium, arrangement, readjustment of debt, dissolution, liquidation, or similar proceeding relating to it under the laws of any jurisdiction, or any such proceeding is instituted against Lessor and is not dismissed within thirty (30) calendar days.
- 11.3.5 Any judgment, writ, warrant or attachment or execution of similar process is issued or levied against a substantial part of Lessor's property and remains unsatisfied for thirty (30) calendar days.
- 11.3.6 Lessor has its articles of incorporation, charter or right to do business in any state revoked, suspended, terminated or otherwise changed.

12. Remedies

- 12.1 Remedies. Upon the occurrence of any Default the parties shall have the rights and remedies provided in the Arizona Procurement Code (A.R.S. §§ 41-2501 through 41-2662). In addition, upon the occurrence of any Default by the Lessor, the Lessee shall

have the right to: (1) terminate this Agreement and the Lease payments hereunder effective upon written notice to the Lessor, and (2) suspend this Agreement and the lease payments hereunder at any time, by written demand for cure or assurance to the Lessor for a period specified in the notice not to exceed sixty (60) calendar days. In addition, upon the occurrence of any Default by the Lessee, the Lessor shall have the right to (a) retrieve the equipment in accordance with Section 9.6 and receive lease payments and penalties through the date of such retrieval, or (b) permit Lessee to retain such equipment for the term of the applicable equipment schedule and receive lease payments and penalties up to the last date of the term of such equipment schedule.

- 12.2 Termination not Mandatory; Waivers of Remedies. The exercise of any remedy by either party shall not constitute a termination of this Agreement or any equipment schedule unless the non-defaulting party expressly so notifies the other in writing. No failure or delay on the part of either party to exercise any right or remedy under this Agreement shall operate as a waiver. No express or implied waiver by either party of any one Default shall constitute a waiver of any other Default.
- 12.3 Cumulative Remedies. No remedy referred to in this Agreement is intended to be exclusive, but each shall be cumulative and concurrent, and shall be in addition to any other remedy referred to herein.

13. Miscellaneous

- 13.1 Notices. All notices, requests, demands and other communications required under this Agreement shall be in writing and shall be deemed duly given and received:

13.1.1 If personally delivered, on the date of delivery.

13.1.2 If mailed, three (3) business days after deposit in the United States mail, registered or certified, return receipt requested, postage pre-paid and addressed in accordance with the address provisions hereof.

13.1.3 If by a courier delivery service providing overnight or "next-day" delivery, on the next business day after deposit with such service.

13.1.4 If by facsimile or other electronic transmission, on the third (3rd) business day after transmission.

All such communications shall be sent to the address set forth below or to such other address as the party may designate, from time to time, in writing, in accordance with these notice provisions.

To Lessor:

Fax #: _____

To Lessee:

Fax #: _____

13.2 Waiver. No express or implied waiver of any breach of this Agreement shall be deemed a waiver of any repetition of the breach or in any way affect any other term or condition of this Agreement. No waiver shall be valid or binding unless the same shall be in writing and signed by the party so waiving.

13.3 No Assignment: Neither party may assign or in any way dispose, or otherwise relinquish possession or control, of all or any part of its rights or obligations under this Agreement or any equipment schedule without the express written consent of the other party. Notwithstanding anything herein to the contrary, in the event of an approved assignment, the assigning party shall remain primarily responsible for all duties and obligations hereunder.

The Lessor may assign the sole right to receive payment hereunder as provided in A.R.S. §47-9318, provided that:

13.3.1 Prior to effecting any assignment the Lessor shall provide a duplicate counterpart of the agreement by which the assignment or any reassignment is to be made disclosing to the Lessee the name, address, social security number or tax identification number and instructions regarding to whom payments should be sent.

13.3.2 The assignment shall not result in the issuance of certificates of participation with respect to Lease Payments to be made hereunder.

13.3.3 The assignee's right to payment shall be subject to all the terms of this Agreement and the State wide Contract, including, but not limited to, the Lessee's right to terminate or suspend this Agreement and the lease payments hereunder and to offset or withhold lease payments as provided hereunder.

13.4 Non-Availability of Funds. Every payment obligation of the Lessee under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the Lessee at the end of the period for which funds are available. No liability shall accrue to the Lessee in the event this provision is exercised, and the Lessee shall not be obligated or liable for any future payments or for any damages as a result of termination under this Section.

13.5 Audit of Records. Pursuant to A.R.S. §§ 35-214 and 35-215, the Lessor shall retain and shall contractually require each subcontractor to retain all data, books and other records (collectively "records") relating to this Agreement for a period of five (5) years after expiration, termination or completion of the Agreement (whichever occurs first). All records shall be subject to inspection and audit by the Auditor General's Office of the State of Arizona, the Office of the Arizona Attorney General, Lessee, or other agents of the State of Arizona at reasonable times. Upon request, the Lessor shall produce the original of any or all such records.

- 13.6 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State of Arizona, its Cooperative Purchasing Units or any department or agency of either may, within three years after its execution, cancel any agreement or contract, without penalty or further obligation, made by the State of Arizona, its Cooperative Purchasing Units, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement or contract on behalf of the State of Arizona, its Cooperative Purchasing Units or any of the departments or agencies of either is, at any time while the agreement or contract or any extension of the agreement or contract is in effect, an employee or agent of any other party to the agreement or contract in any capacity or a consultant to any other party of the agreement or contract with respect to the subject matter of the agreement or contract. A cancellation made pursuant to this Section shall be effective when the Lessor receives (in accordance with the notice provisions of this Agreement) written notice of the cancellation, unless the notice specifies a later time, in which case it shall be effective on such later date.
- 13.7 Non-Discrimination. The Lessor shall comply with Executive Order 75-5, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Lessor shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
- 13.8 Legal Violations. The Lessor assigns to the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the Lessor toward fulfillment of this Agreement.
- 13.9 Further Assurances. Each party will execute and deliver such further instruments and take such other actions as may be necessary, from time to time, to carry out the intent and purpose of this Agreement.
- 13.10 Amendments. No amendments, modifications or other changes to this agreement or any executed equipment schedule shall be made without the written consent of the Lessor and the Lessee.
- 13.11 Applicable Law. This Agreement shall be governed and interpreted by the laws of the State of Arizona, including the Arizona Procurement Code (A.R.S. §§ 41-2501, *et seq.*) and the administrative rules promulgated thereunder (A.A.C. R2-7-901, *et seq.*).
- 13.12 Disputes. The parties to this Agreement agree to exhaust all available administrative remedies in accordance with the requirements of the Arizona Procurement Code (A.R.S. §§ 41-2501, *et seq.*) and the administrative rules promulgated thereunder (A.A.C. R2-7-901, *et seq.*) before instituting any arbitration or court proceeding. The parties to this Agreement agree to resolve disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, only to the extent required by A.R.S. § 12-1518 and except as may be required by other applicable statutes. Each party shall pay their own expenses in connection with all such dispute resolutions.

13.13 Venue for Dispute Resolution. Except in respect of an action commenced by a third party in another jurisdiction, the parties agree that any administrative proceeding, arbitration, legal suit, legal action, or other legal proceeding arising out of or relating to this Agreement must be instituted in Phoenix, Arizona.

13.14 Counterparts. This agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signature delivered by facsimile or other electronic transmission shall have the same effect as an original signature, and any party transmitting its signature by facsimile or electronic transmission shall furnish the other party documents bearing an original signature within three (3) business days of any facsimile or electronic transmission.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

LESSOR

LESSEE

By_____

By_____

Title_____

Title_____

LEASE ADDENDUM
Lease Equipment Schedule No. _____
between Lessor and Lessee

This Equipment Schedule is entered into pursuant to the Lease Agreement between the _____ [Name of Customer] _____ (“Lessee”) and Lessor, dated as of _____, _____ (the “Agreement”). Terms used herein shall have the meanings set forth in the Agreement, unless otherwise defined herein. Lessor and Lessee hereby agree as follows:

LESSOR: _____

Lessee: _____

Delivery Address for Equipment and/or Software (including contact person and phone #):

Lessee Billing Address (including contact person and phone #):

ITEMIZED LIST OF EQUIPMENT AND/OR SOFTWARE TO BE LEASED:

[illegible]

EQUIPMENT SCHEDULE
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DATE AND TIME FOR DELIVERY:

WARRANTY UPGRADES, CHARGEABLE TRANSACTION AND NETWORK SERVICES:

LEASE PAYMENTS: Lessee agrees to pay lease payments commencing on the commencement date in the amount of _____ Dollars (\$ _____) per month calculated pursuant to Section 3.1 of the Agreement. As evidenced by the calculations on the attached copies of Page 3 (Initial Lease Payment Calculations) from this Equipment Schedule – the monthly lease payments are equal to the aggregate of *Lines D)II* therefrom:

(Desktops _____; Servers _____; Laptops _____; Other CPU Devices _____).

In the event of any extension, Lessee and Lessor shall (1) amend the equipment schedule to attach completed copies of Page 4 (Lease Extension Payment Calculations) from this Equipment Schedule and (2) make such other changes as shall be necessary to accomplish the extension, including aggregating the totals from Lines D)III therefrom to calculate and specify the monthly lease payment during the extension term.

TERM: The initial term of this equipment schedule shall be for a period of _____ months pursuant to Section 2.3 of the Agreement and shall expire on _____, ____.

IN WITNESS WHEREOF, the undersigned have executed this Certificate as of the date first above written.

LESSOR

LESSEE

By: _____

By: _____

Title: _____

Title: _____